UNITED
NATIONS

TD

United Nations
Conference
on Trade and
Development

Distr.
GENERAL

TD/B/48/16
5 September 2001

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Forty-eighth session
Geneva, 1 October 2001
Item 3(a) of the provisional agenda

THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE DECADE 2001–2010: PROGRESS TO DATE IN THE IMPLEMENTATION OF THE ELEMENTS OF THE BRUSSELS DECLARATION AND THE PROGRAMME OF ACTION THAT FALL WITHIN THE PURVIEW OF UNCTAD

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INTRODUCTION

1. This note, divided into four sections, provides a review of progress to date in the implementation of the elements of actions of the Brussels Declaration and Programme of Action (PoA) for LDCs for the decade 2001-2010 that fall within the purview of UNCTAD. Section I provides the highlights of the Brussels Conference and its outcome, section II describes implementation-related activities undertaken by UNCTAD, section III deals with the way forward in implementing the Brussels Declaration and the PoA, and section IV provides concluding remarks.

Chapter I

THE THIRD UN CONFERENCE ON LDCS (UNLDC-III)

2. The Third United Nations Conference on Least Developed Countries was a success in: (a) drawing global attention to, and bringing into sharp political focus, the complex development challenges facing LDCs; (b) reaffirming the commitment and determination of the international community and the LDCs themselves to significantly improve the human and economic conditions in LDCs during the present decade and to make substantial progress toward halving the proportion of people in extreme poverty by 2015; (c) ensuring ownership of LDCs in designing development policies and strategies while providing a forum for dialogue and consensus building among all stakeholders and actors in the development process; (d) clearly identifying and quantifying a number of development goals and targets along with specific actions by LDCs themselves and by their development partners; (e) initiating specific and concrete actions in favour of LDCs in the context of "early deliverables"; and (f) providing comprehensive arrangements for implementation, follow-up and monitoring at national, sub-regional, regional and global levels.

3. The Conference adopted a political declaration (the Brussels Declaration) and the PoA for Least Developed Countries for the decade 2001–2010. The Brussels reaffirms the collective responsibility of the international community to uphold the principles of human dignity, equality and equity and to ensure globalization becomes a positive force for all the world's people as set out in the Millennium Declaration.

4. The PoA provides specific goals and targets along with action-oriented commitments in seven critically important areas: (1) fostering a people-centred policy framework; (2) good governance at national and international levels; (3) building human and institutional capacities; (4) building productive capacities to make globalization work for LDCs; (5) enhancing the role of trade in development; (6) reducing vulnerabilities and protecting the environment; and (7) mobilizing financial resources. An important and unique feature of this PoA is that it clearly indicates complementary actions between LDCs and their development partners. The commitments undertaken and the actions identified in the Programme of Action, if fully and effectively implemented, will improve the difficult social and economic conditions faced by LDCs.

Chapter II

PROGRESS TO DATE IN THE IMPLEMENTATION OF THE ELEMENTS OF THE BRUSSELS DECLARATION AND THE PROGRAMME OF ACTION THAT FALL WITHIN THE PURVIEW OF UNCTAD

5. The challenges in implementing the commitments contained in the PoA are enormous and complex. The first task ahead is to strengthen the partnership between the LDCs and their development partners and to ensure that the constraints and problems of implementation which bedeviled the previous two PoAs are not be repeated and that the commitments and actions contained therein are respected and fully implemented. The second challenge is to mobilize all stakeholders and actors in development, both at the national and international level, to fully and effectively implement the commitments of the PoA that fall under their respective mandates and competence. Effective implementation requires among other things coordination between and among the LDCs and their development partners. At the national level, each LDC should translate policies and measures of the PoA into operational programmes within the framework of the national PoA. At the international level, a strengthened and coordinated effort on the part of bilateral donors, organs and organizations of the UN system including the Bretton Woods Institutions and the World Trade Organization in implementing commitments and actions agreed in Brussels is required. Other developing countries, in the context of South-South cooperation and through bilateral cooperation are also expected to assist LDCs in achieving the overarching objectives of the PoA.

6. For its part, UNCTAD has within its mandate and competence, commenced implementation of the Brussels Declaration and the Programme of Action. The implementation initiatives undertaken by UNCTAD fall within its main areas of activities namely: research and analysis, advocacy and consensus building, and technical cooperation and capacity-building. *The Least Developed Countries Report 2001* addresses issues concerning the specificity of the problem of poverty in LDCs and ways in which effective and strengthened partnerships between the LDCs and their development partners can contribute toward achieving the overall objectives of UNLDC-III. The Office of the Special Coordinator has already made an initial appraisal of where the LDCs and their development partners now stand in relation to the quantifiable development goals agreed in the PoA for LDCs, for the current decade. A paper entitled *"Development Goals of the Programme of Action for the Least Developed Countries for the Decade 2001–2010: Towards a set of indicators to monitor progress"* is before the current session of the Trade and Development Board. This is oriented towards providing a baseline from which the implementation of the outcomes of the Programme of Action can, over time, be assessed. UNCTAD has also prepared a report on *"Economic Development in Africa: Performance, Prospects and Policy Issues"* as part of its work programme on Africa and more specifically the assessment of the implementation of the UN New Agenda for the Development of Africa for the 1990s (UN-NADAF). This report, launched 11 September 2001, clearly depicts the difficult socio-economic situation of sub-Saharan African countries – the substantial majority of which are LDCs. The forty-eighth session of the Trade and Development Board and the fifty-sixth session of

the General Assembly will deliberate over the study, its findings and on its policy implications to the African countries – 34 of which are LDCs

7. In accordance with its mandates from the General Assembly to support the implementation of the Barbados Programme of Action and in pursuance of its ongoing comprehensive examination of the impact of globalization and trade liberalization on the economies of small island developing States (SIDS), UNCTAD will continue to assist these countries. In addition to the research and analysis as well as the various technical assistance activities UNCTAD has undertaken in individual SIDS, the Office of the Special Coordinator is currently preparing a publication entitled: "*Small Island Developing States: Issues of Vulnerability and Economic Opportunities*". The study, will cover in 14 chapters, various aspects including: vulnerability to external shocks, structural handicaps, SIDS potential for graduation from the LDC status, economic specialization, multilateral trade liberalization, regional integration in the Caribbean and Pacific, trade and environment, foreign direct investment, the music industry, information technology and SIDS and the ACP-EU partnership.

8. On further activities related to the implementation of the commitments agreed at Brussels, particularly commitment 5 (Enhancing the Role of Trade in Development), and pursuant to the Bangkok Plan of Action, UNCTAD provided substantive and technical support for the meeting of LDC Trade Ministers which took place, in Zanzibar, United Republic of Tanzania, from 22 to 24 July 2001. The meeting, which was organized at the invitation of the Government of the United Republic of Tanzania, had the objective of preparing LDC's for the Doha WTO Ministerial Conference to take place November of this year. The meeting was successful in forging a common position on the LDC agenda for the Doha Ministerial Conference and beyond. Its timing was also fortuitous, with an important level of representation, particularly in deliberations on issues related to the multilateral trading system and the place of LDC's in the global economy. In this connection, participants took the view that "the 4th WTO Ministerial Conference should result in a clear commitment to implement the Brussels Declaration and the Programme of Action in letter and spirit". Regarding the level of participation, 43 of the 49 LDC's were represented by their respective trade ministers and other senior officials. There were 136 participants from LDCs and 22 from specialized agencies, organs of the United Nations system and the WTO. One regional and one international NGO also attended the meeting as observers. This was the highest turnout of LDC representatives for a preparatory process of a WTO Ministerial Conference.

9. After intensive deliberation on existing WTO agreements, the LDC Ministers emphasized that "the 4th Ministerial Conference should further make significant movement in addressing implementation issues, confirmation of the principles of special and differential treatment and trade policy flexibility to accommodate the interest of the Least Developed Countries and a commitment to ensure an inclusive and transparent negotiating process, before, during and after the Doha Conference". Furthermore, the Ministers also took the view that "the scope of future multilateral trade negotiations will have to take into account the inability of LDCs to participate effectively in negotiations on a broad agenda and implement new obligations due to the well known limited capacity of the LDCs".

10. The meeting adopted the Zanzibar Declaration and "negotiating objectives and proposals" with a view to articulating LDCs' development agenda at the 4th WTO Ministerial Conference and during the ensuing negotiations. The Declaration and the accompanying "negotiating objectives and proposals" will be submitted to the Doha Ministerial Conference, as mandated by the Ministers. The proposals encompassing such issues as market access, implementation, the "built-in agenda", new issues and special and differential treatment were submitted to the WTO General Council Meeting, which took place on 30–31 July of this year. Ministers also decided to institutionalize the LDC Trade Ministers' Meeting to take place every two years to precede the WTO Ministerial Conference. In addition to the meeting of LDC Trade Ministers, at the request of Governments and as part of the ongoing work programme, UNCTAD has organized national seminars and workshops in Togo, Niger, Mali and Chad in preparation to the 4th WTO Ministerial Conference.

11. Similarly, pursuant to paragraph 11 of General Assembly resolution 54/199, the Secretary-General of the United Nations convened, in New York, from 30 July to 3 August 2001, the Fifth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries, Financial and Development Institutions. UNCTAD, in accordance with its mandate contained in the various General Assembly resolutions, the Bangkok Plan of Action and the provisions of the Brussels Programme of Action for LDCs on landlocked and transit countries, provided substantive and technical support for the meeting. Some 200 experts from 60 landlocked and transit developing countries and donor countries and from 11 financial and development institutions participated in the Meeting and dealt with the physical and non-physical aspects of transit trade. Experts deliberated at great depth on the physical aspect of transit trade and associated problems including: poor transport infrastructure, absence of storage and other trade-related facilities, lack of territorial access to the sea, remoteness and isolation from the world market and from the global production networks, the resulting high transit cost, and the impact on competitiveness and on overall socio-economic development of landlocked developing countries. The non-physical aspect of transit-trade problems highlighted by the experts include, among other things: lack of harmonization, simplification and standardization of rules and documents; lack of flexibility and poor transport organization and management, as well as proliferation of Government controls. The interactive Round Tables on Infrastructure Development and Sub-regional Cooperation, moderated by the World Bank and UNCTAD respectively were attended by a large number of participants and covered a wide-range of issues on this topic that are of direct concern to landlocked and transit developing countries.

12. The experts also recommended measures and concrete actions required at national, regional, sub-regional and international levels to alleviate the severe constraints facing landlocked countries, which were unanimously adopted (TD/B/LDC/AC.1/L.7). The agreed conclusions and recommendations contain many far-reaching and innovative policy measures and actions which landlocked and transit developing countries should implement, with the support of their development partners, in order to adequately address the physical and non-physical aspects of transit trade.

13. The meeting also recommended the convening of an International Ministerial Meeting of Landlocked and Transit Developing Countries and Donor Countries and Representatives of International Financial and Development Institutions in 2003 in Kazakhstan. Given the fact that 16 LDCs are also landlocked and because transport plays a critical role in their development and in promoting national, regional and international trade, this recommendation is important and timely. In this context, the involvement of all stakeholders, particularly of the private sector, was emphasized. The UNCTAD secretariat was requested to undertake substantive and organizational preparations for the proposed Ministerial Meeting. The meeting also requested the UNCTAD secretariat to assist in the implementation of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing countries and the donor community, which will be reviewed during the forthcoming ministerial meeting. The World Bank and other Regional Development Banks were also requested to cooperate with UNCTAD in providing substantive and organizational support for the above-mentioned meeting.

14. The Brussels Conference, particularly in the context of "deliverables", proposed the organization of a special conference devoted to issues related to energy market volatility and strategies to mitigate the adverse consequences of such volatilities on the economies of the LDCs. With the financial support of the Government of Austria and in collaboration with UNIDO, UNCTAD is to organize a *Conference on Efficient Hydrocarbon Pricing and Procurement and Managing Oil Price Volatility in LDCs* in Vienna, Austria, from 30 January to 1 February 2002. The Conference will address many interrelated issues including: the role of energy for competitiveness, growth and development, ways and means to cope with the vagaries of the oil market, innovative ways of attracting finance for development especially FDI into the LDCs energy chain, oil pricing policies for energy sector, efficiency and best practices for efficient oil procurement and financing, and other issues of interest. The Conference is expected to attract key decision makers and experts from public and private sectors of LDCs, international agencies and companies involved in the LDCs' oil and gas sector as well as from developing and developed countries. The aim of the Conference is to provide LDCs with concrete and realistic measures to establish efficient pricing and procurement systems for hydrocarbon products, mitigate the impacts of oil price volatility on LDCs' growth and development prospects, define ways and means to mobilize financial resources for investment in energy sectors of LDCs and design long-term strategies to absorb such shocks.

15. Research by UNCTAD and other international organizations, notably the World Tourism Organization, have clearly indicated that LDCs have enormous potential and comparative advantages in the tourism sector. The potential of the sector in transforming the economies of the LDCs and in contributing to the overall socio-economic development of LDCs, particularly, through employment creation and income generation, is huge. In this regard and in the context of the relevant actions contained in the Brussels Programme of Action, UNCTAD and the World Tourism Organization will intensify their collaborative efforts in assisting LDCs to enable them take advantage of the existing potential in global market opportunities of the sector. To this end, and with the objective of implementing the PoA and the Canary Island Plan of Action adopted by pre-conference Ministerial

Meeting on Tourism, a delegation of the World Tourism Organization met with the Secretary-General of UNCTAD on 5 July 2001. An agreement was reached between the two organizations to convene the *First International Forum on Tourism in the Least Developed Countries* in Berlin in March 2002. The forum will be organized back-to-back with the second expert meeting on tourism in LDCs, which will be convened jointly by UNCTAD and the WTO. The forum, which is expected to provide an institutional and substantive platform of action for the Brussels Programme of Action for LDCs, is timed to take place on the fringe of the annual International Tourism Bourse (ITB) of Berlin, scheduled to take place from 16 to 20 March 2002. The Forum and the Expert Meeting are expected to bring together key policy-makers, experts and suppliers of tourism services from LDCs and their development partners, including from the private sector.

16. With regard to technical cooperation and capacity building activities of UNCTAD in LDCs, landlocked developing countries and small island developing States, efforts are being made to strengthen the ongoing projects and programmes and mainstream recommendations arising from the Brussels Conference. For example, in implementing the deliverables of the Conference in the area of investment, preparations are under way for the first follow-up meeting of the investment advisory council for East and Southern Africa, scheduled for early next year. The United Republic of Tanzania has offered to host this Meeting of the Advisory Council in Dar-es-Salaam. Similarly, a training seminar was organized for francophone LDCs in Egypt from 5 to 16 June 2001. This training seminar was attended by experts from Benin, Burkina Faso, Burundi, Cape Verde, Comoros, Congo, Guinea, Madagascar, Mali, Mauritania and Lao People's Democratic Republic. Another training seminar is to take place in India from 19 to 30 November for Asia and Pacific LDCs. Also, a new round of negotiations for English-speaking LDCs on bilateral investment negotiations is scheduled for 1 to 6 October 2001 in Bonn, Germany. Cambodia, Eritrea, Ethiopia, Lesotho, Malawi, Mozambique, Sierra Leone, Sudan, United Republic of Tanzania, Uganda and Zambia have confirmed their participation. Other capacity building projects in the context of the Multi-agency Technical Assistance Programme and UNCTAD's ongoing activities in the area of investment, technology, enterprise development and LDC investment guides, among others, have been initiated in 36 LDCs.

Chapter III

THE WAY FORWARD

17. The Brussels Declaration and the Programme of Action reaffirm the collective responsibility of the international community and the LDCs themselves to arrest and reverse the decline in socio-economic conditions in LDCs, to reactivate and accelerate growth and development in these countries, and in the process, to set them on the path toward sustained growth and sustainable development. The implementation of the commitments contained in these two major documents should be based on the fundamental principles agreed at the Brussels Conference.

18. The PoA, in its paragraph 116, has requested the Secretary-General of the United Nations "to submit to the General Assembly at the fifty-sixth session his recommendations for an efficient and highly visible follow-up mechanism including the possibility of transforming the current Office of the Special Coordinator for the Least Developed, Land-locked and Small Island Developing Countries into an Office of High Representative for Least Developed, Land-locked Developing Countries and Small Island Developing States. While institutional arrangements and activities related to follow-up will be seen in light of the recommendation of the Secretary General of the UN and the decision of the General Assembly, substantive issues of interest and importance to these countries should be implemented in an intensified manner.

19. In this context and with a view to fully and effectively implementing the Brussels Declaration and the Programme of Action, UNCTAD has also developed a "roadmap". This roadmap's prime objective is to provide a general guideline to enable different stakeholders to identify practical ways to implement different elements of actions falling under their respective mandates and competencies, including through actions at the national, sub-regional, regional and global level. The roadmap also calls for the concerted efforts of the LDCs themselves and their development partners, including civil society, to realize the objectives of the Brussels Conference through the full and effective implementation of actions identified under the seven areas of commitments contained in the PoA. It identifies clearly sequenced priorities and strategies for the implementation of the PoA by conducting inventories of the situation in relation to the goals and actions agreed at Brussels in the seven areas of commitments in the PoA.

20. Another dimension of the roadmap will provide mechanisms for the participation of stakeholders at the national, sub-regional, regional and global level. At the national level, this implies strengthening the Local Development Forum established in the preparatory process for the UNLDC III. The Local Development Forum included national preparatory committees, resident representatives of the UNDP, the World Bank and other UN organizations with field structures, the European Union, bilateral donors and other local stakeholders. At the sub-regional and regional level the participation of regional UN commissions, regional development banks together with the Local Development Forum is of paramount importance. The roadmap will also provide for a concerted and coordinated effort of all the actors in development by, among other things, mainstreaming the

commitments of the PoA into the intergovernmental machinery of various UN and other international organizations and into their work programmes. It will also emphasize the critical need for closer cooperation between and among Geneva-based specialized agencies, organs of the United Nations system and the WTO. The roadmap concept has already commanded wide appreciation and acceptance among various stakeholders as a step in the right direction and the way forward for the full and speedy implementation of the PoA.

Chapter IV

CONCLUSION

21. As frequently noted during the preparations for the Third UN Conference on LDCs, there are important lessons that could be drawn from the implementation experiences of previous Programmes of Action. First, development problems facing the LDCs are complex and multifaceted and their resolution requires concerted efforts of the LDCs themselves and the international community. Second, there is need for a clearly defined operational plan showing the actions and roles of stakeholders in implementing the various commitments contained in the PoA with properly sequenced priorities and coordinated actions at the national, regional and global level. Finally, success in attaining the objectives of the PoA will require effective functioning of the arrangements for the continuous monitoring and review of progress in implementation. This will also contribute to a coordinated follow-up and monitoring of the implementation of the outcomes of major global summits and conferences as they relate to LDCs.